



Ministry of Foreign Affairs
of the Czech Republic



Czechia

Insight into the country profile



Location in the Heart of the Europe



Location in the Heart of Europe

Accessible by plane from most of the European destinations in less than 2 hours

Berlin	55 min
Paris	1 h 55 min
Kyiv	2 h
London	2 h
Moscow	2 h 45 min
TelAviv	3 h 50 min
Dubai	6 h
Shanghai	11 h 50 min

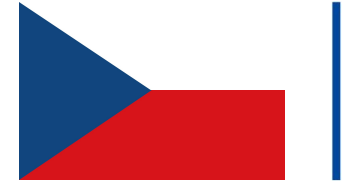




Quick Facts About Czechia



Czechia – General Information



- Population: **10.7 mil**
- Area: **78.866 km²**
- Language: **Czech**
- GDP per person: **41 510 \$ (ppp)**
- Currency: **Czech Crown (CZK)**
- Capital: **Prague**
 - Other large cities: Brno, Pilsen, Ostrava
- Neighbouring countries: **Germany, Poland, Slovakia, Austria**
- Administrative division: **14 regions**
- Political System: **Parliamentary Democracy**





Prague – The Capital

- The largest city in Czechia
- Population: 1.3 million
- 25 % of the national GDP is created in Prague
 - (Prague = 12 % of Czech population)
- 3rd Centre European city of the future, 10th European City of the Future in overall ranking
- 3rd richest region of the European Union (2021)
- Famous for their architectural heritage, museums, theaters, cinemas, galleries, and cafés





Important Player in a Global Arena

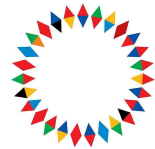


Membership in International Organizations

Czechia and the EU



- Membership since May 1, 2004
- Emphasis on common values, including democracy, rule of law, and respect for human rights and human dignity
- July – December 2022 – Czech Presidency of the EU



EU2022.CZ

Czech Presidency of the Council
of the European Union



Czechia and NATO

- Membership since March 12, 1999
- One of the first former Warsaw Pact members to join NATO

Visegrad Group (V4)

- Since 1991
- V4 is an alliance of four Central European countries – Czechia, Hungary, Poland, Slovakia



Other organizations

- WTO
- UN
- UNESCO
- OECD
 - In 1995, Czechia became the first post-Communist state in Central Europe to be admitted to the Organization for Economic Co-operation and Development (OECD)





Investment Environment



Czechia – A Great Place for Your Investment

- **Open investment climate**

- Effective legal environment
- Healthy banking system
- Stable political environment



- **High investment ranking with a stable and positive outlook**

- Moody's rating – Aa3, 4th highest (level of Belgium)
- Fitch rating – AA-, 4th highest
- S&P rating – AA-, 4th highest

- **The national currency koruna (CZK) is fully convertible and extremely stable**

- **Financial Support for Investment**

- Transparent system of investment incentives

- **Strong focus on R&D**



- **Investment Protection**

- Czechia is a member of the Multilateral Investment Guarantee Agency (MIGA)



Czech Economy at a Glance



Open and Competitive Economy



- **Developed country with a market economy**

- Among the thirty most advanced countries in the World (World Bank)
- The most stable and prosperous economy of all post-communist states
- The 9th most advanced economy in the EU (Prosperity Index, 2021)

- **21st freest economy in the World**

- (According to the Heritage Economic Freedom Index, 2022)

- **Open and export oriented economy**

- Trade oriented (the main driver of growth – accounting for 80% of GDP)
- Stable and strong domestic consumption
- Strong business and ownership relations with the European Union
- The most industrialized country within the European Union

Economic Freedom Score



Source: The Heritage Foundation, 2022



Open and Competitive Economy



- **Improving competitiveness**
 - Czechia (26th place) is at the top of the CEE countries
 - According to the World Competitiveness Ranking
- **Ease of doing business ranking**
 - Czechia is ranked 41st
 - Among 190 countries according to the World Bank (2020)
 - Netherlands 42nd, Belgium 46th, Italy 58th



The IMD World Competitiveness Ranking (2022)

		Score	
01	Denmark	100.00	↗ 2
02	Switzerland	98.92	↘ 1
03	Singapore	98.11	↗ 2
04	Sweden	97.71	↘ 2
05	Hong Kong SAR	94.89	↗ 2
06	Netherlands	94.29	↘ 2
07	Taiwan, China	93.13	↘ 1
08	Finland	93.04	↗ 3
09	Norway	92.96	↘ 3
10	USA	89.88	-
11	Ireland	89.52	↗ 2
12	UAE	88.67	↘ 3
13	Luxembourg	87.77	↘ 1
14	Canada	87.23	-
15	Germany	85.68	-
16	Iceland	85.38	↗ 5
17	China	83.94	↘ 1
18	Qatar	83.85	↘ 1
19	Australia	82.56	↗ 3
20	Austria	80.42	↘ 1
21	Belgium	79.87	↗ 3
22	Estonia	78.99	↗ 4
23	United Kingdom	78.45	↘ 5
24	Saudi Arabia	76.82	↗ 8
25	Israel	76.66	↗ 2
26	Czech Republic	75.81	↗ 8
27	Korea Rep.	75.56	↘ 4
28	France	74.34	↗ 1
29	Lithuania	73.45	↗ 1
30	Bahrain	73.28	-

Source: IMD, 2022



Economic Complexity

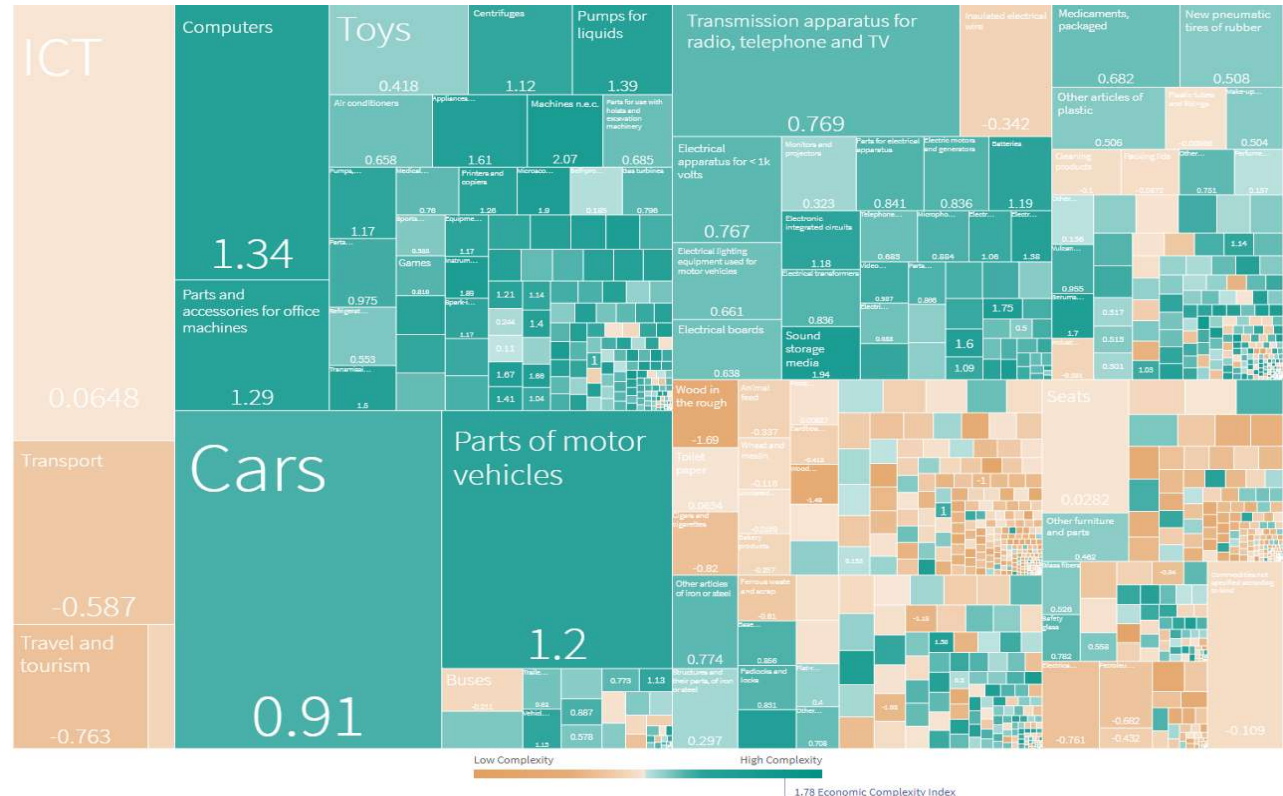
- The Czech economy is the **6th most complex** in the world
- Wide variety of exports and **high sophistication**
 - Czechia's largest goods exports are in high and moderate complexity products

Economic Complexity Ranking



Source: WE Forum, 2019

Czech Export Complexity

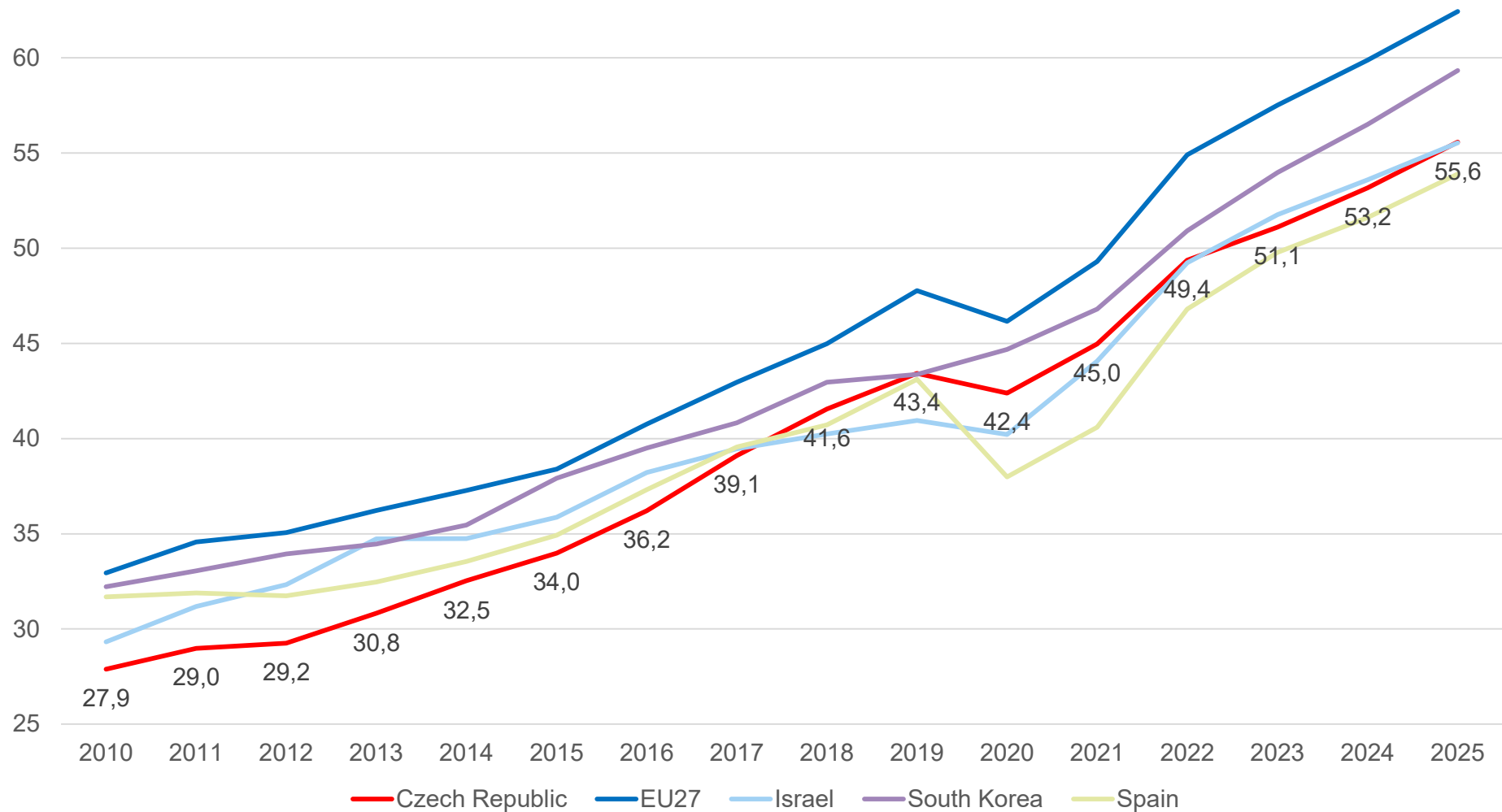


Source: The Atlas of Economic Complexity, 2020



GDP per capita of Czechia is at the Level of Israel

GDP per capita (thousands \$, PPP) 2010 – 2025

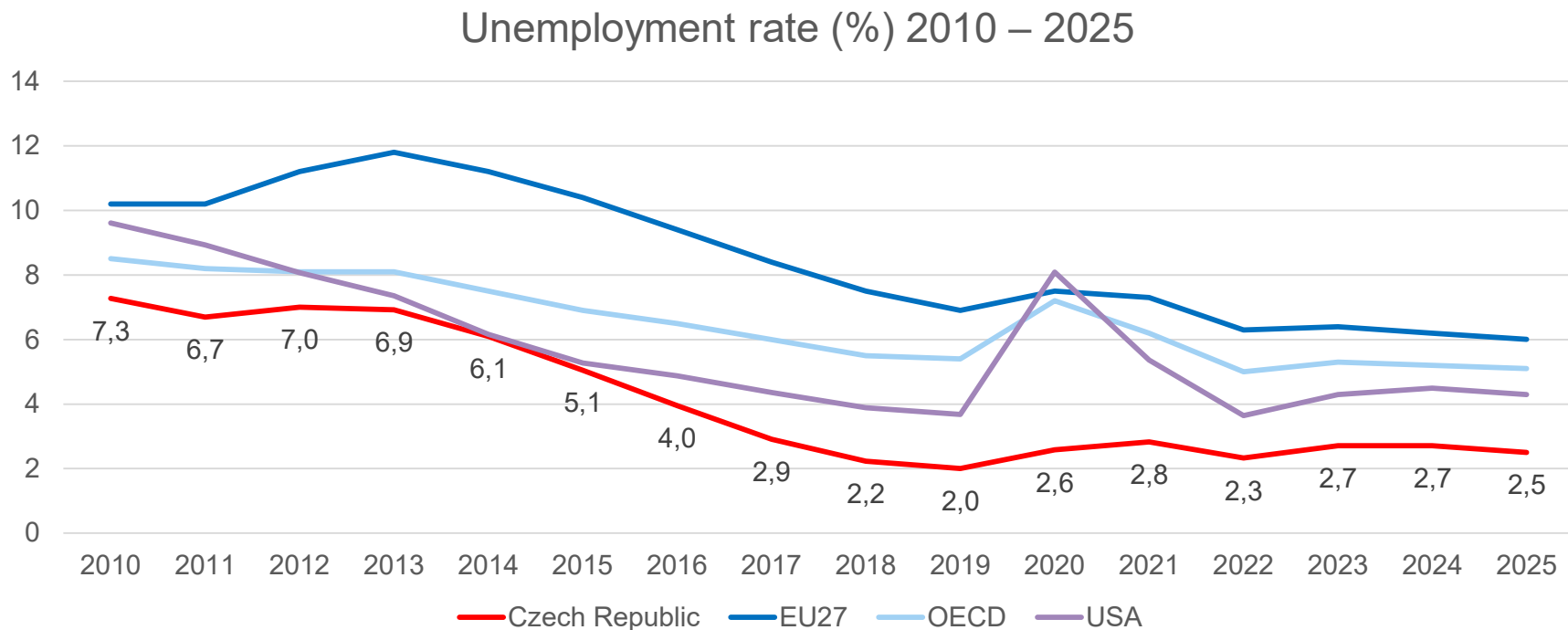




The Lowest Unemployment Rate of all OECD Countries

- Despite the negative consequences of the Covid-19 pandemic and the Russian aggression in Ukraine, the Czech Republic has maintained the lowest unemployment rate in the EU (and among all OECD countries).

- EU27: 6.4 % (3/2023)
- Czechia: 2.7 % (3/2023)



Source: 2020-2025 EIU forecast



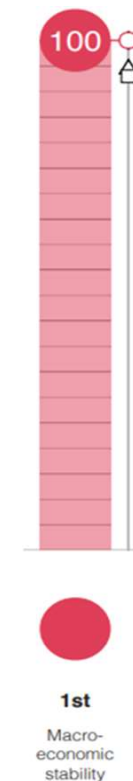
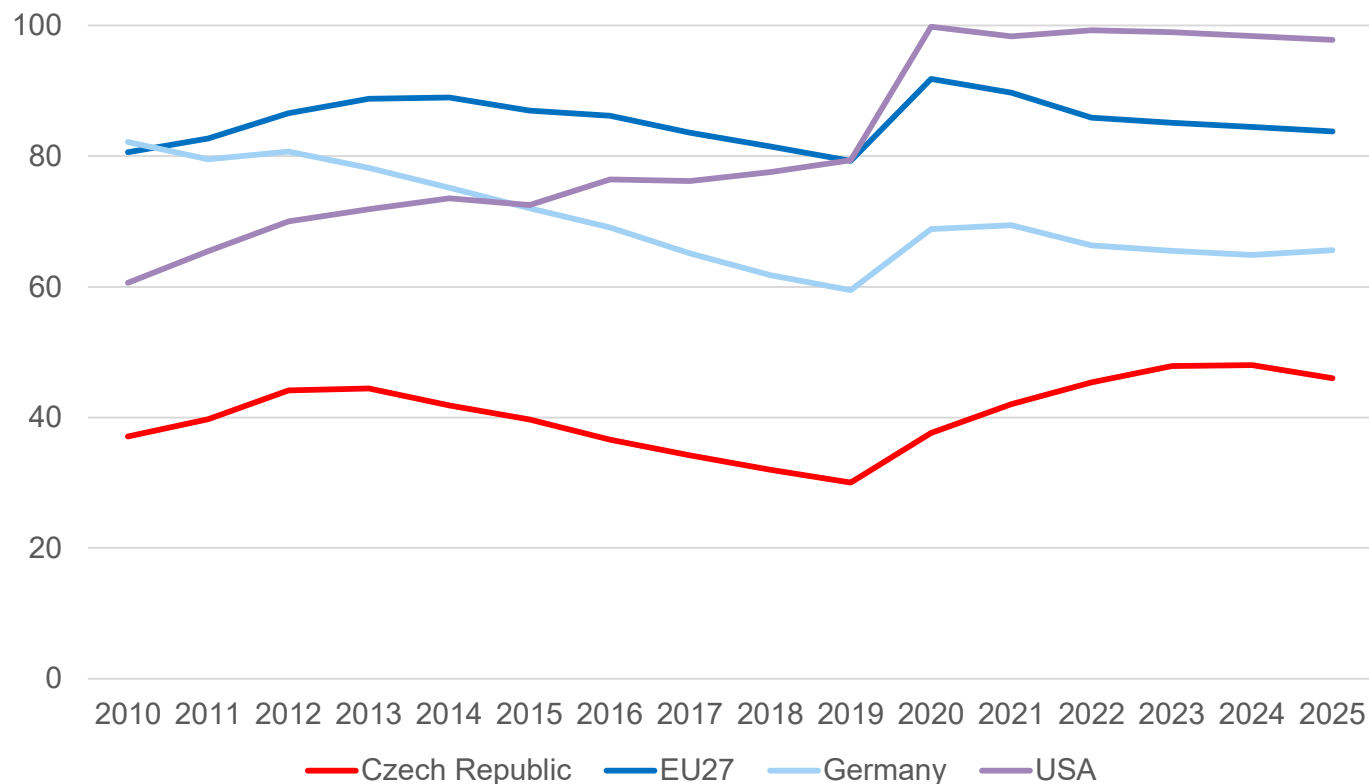
Favourable Macroeconomic Stability

- Low debt to GDP ratio – 42 % (2023)
 - 6th lowest within the EU

- Favourable Macroeconomic Stability

- Score 100/100 according to the WE Forum Global Competitiveness Index 2019

Public Debt (% OF GDP) 2010-2025

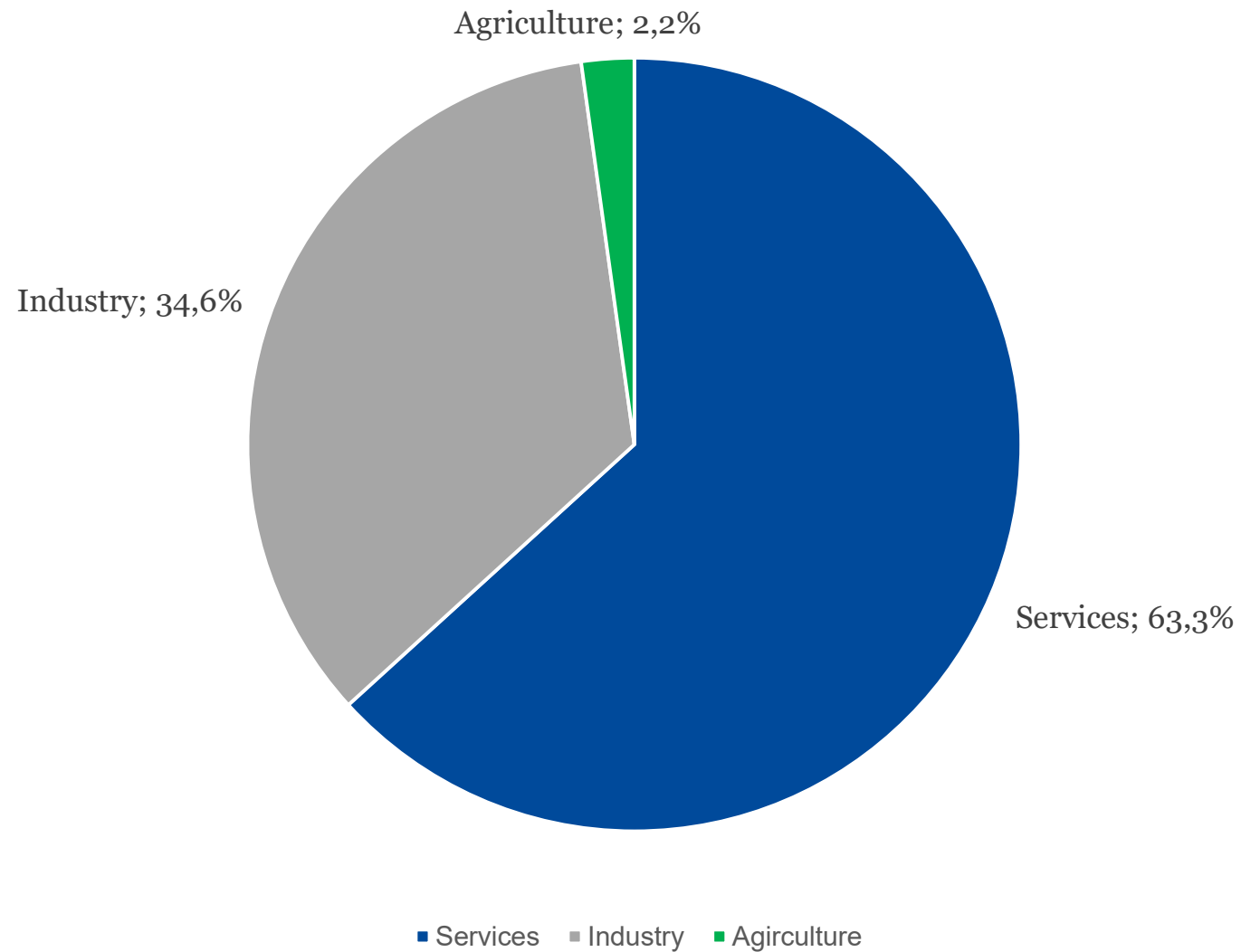


Sources: EIU, 2021-2025 forecast EIU

Source: WE Forum Global Competitiveness Index 2019 | 17



Origin of GDP



Source: EIU, 2023



Foreign Trade



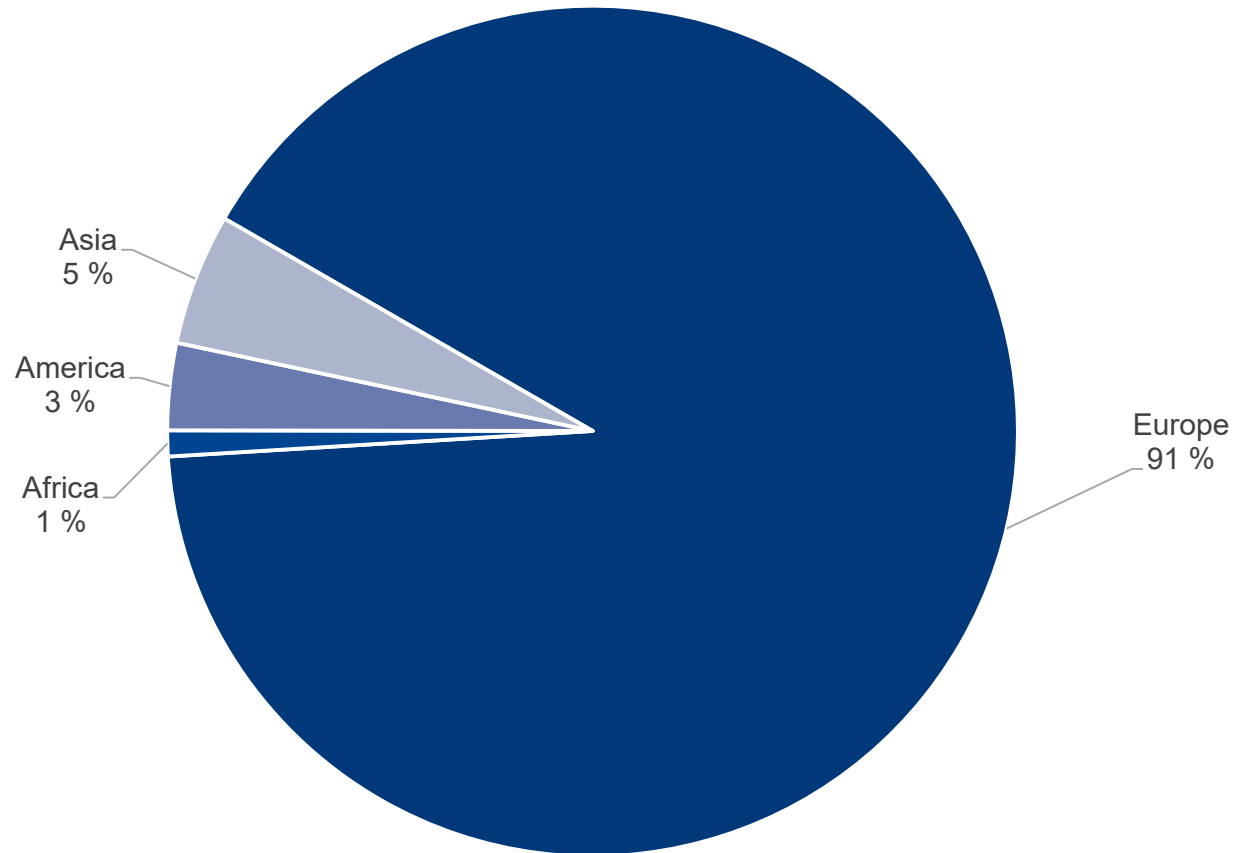
Foreign Trade

- **Growing exports of goods & services in the long term**
 - The contribution of exports to the GDP is 80%
- The most important export partners: **Germany, Slovakia, Poland**
- The most important import partners: **Germany, Poland, China**
- **Strong connection to the EU27 internal market**
 - 80% of all exports





Czech Exports by Continents



Source: ČSÚ, 2022



Czech Export Sectors

- **Automotive industry**
 - 20% of both Czech manufacturing output and Czech exports
- **Engineering industry**
 - Czechia exports 90% of its engineering production
- **Electronics and electrical engineering**
 - 14% of Czech manufacturing output
- **Medical equipment**
 - Czechia is a significant producer of electron microscopes
 - Czechia offers complete solutions
 - Such as Hospitals or Modular Hospitals
- **Chemical and pharmaceutical industry**
- **Glass and ceramic industry**



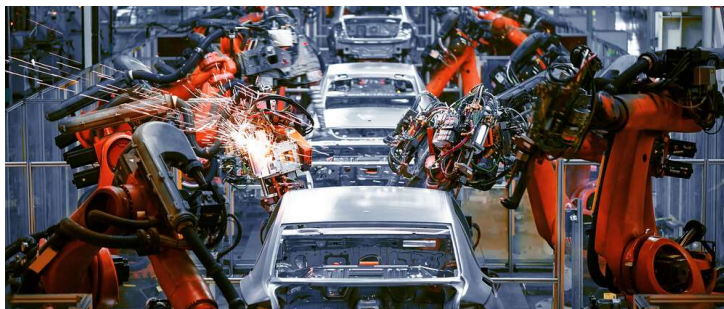


Highly Developed and Innovative Czech Industry



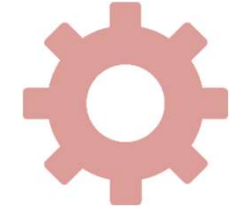
Where We Are Now

- Czechia is the most industrialized country in the EU
- A country with long tradition in production and manufacturing industry of all kinds
- Gross added value of the Czech industry is 31% - 1st in the EU
 - Germany 26.7%
 - Poland 16.4%
- More than half of Czech industrial production is exported





Czech Industry



Some of the Czech high tech sectors are:



- Important sectors are mechanical-engineering, metals, chemicals and food sector
 - As well as energy, construction, consumer-goods industries and many more
- Czechia is one of the 7 countries in the world that develop aircraft engines



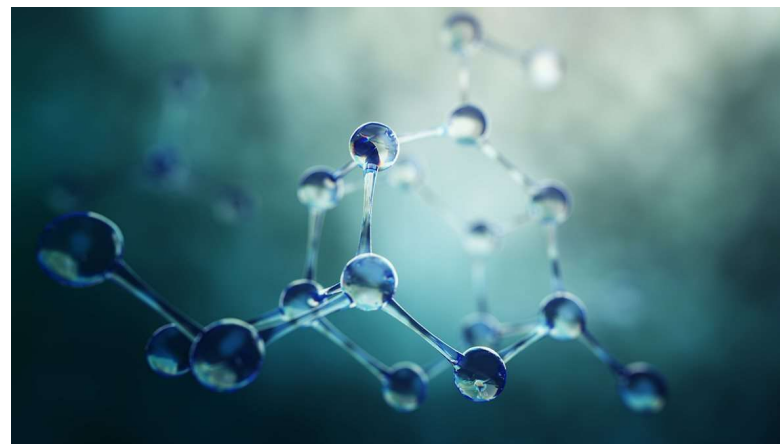


R&D

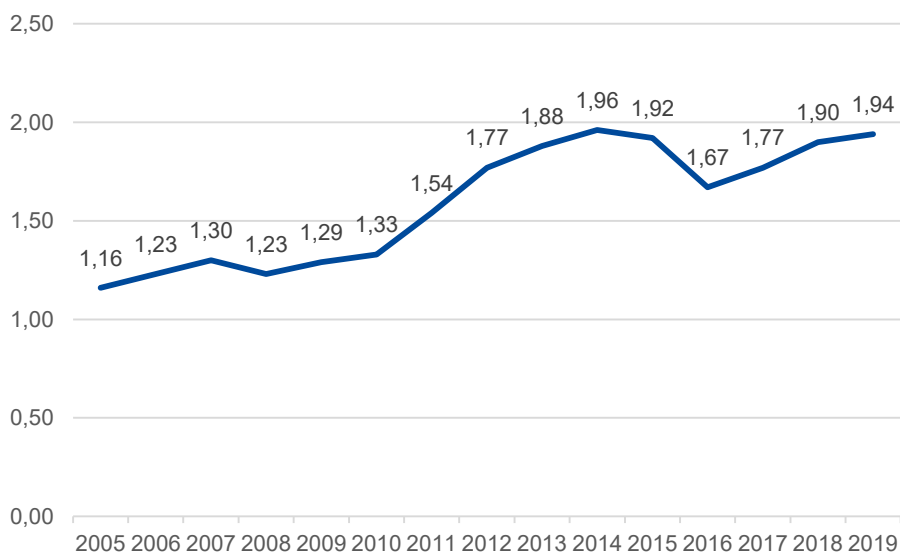


R&D in Czechia

- Rising R&D investment
 - Czechia spends the most in the CEE region

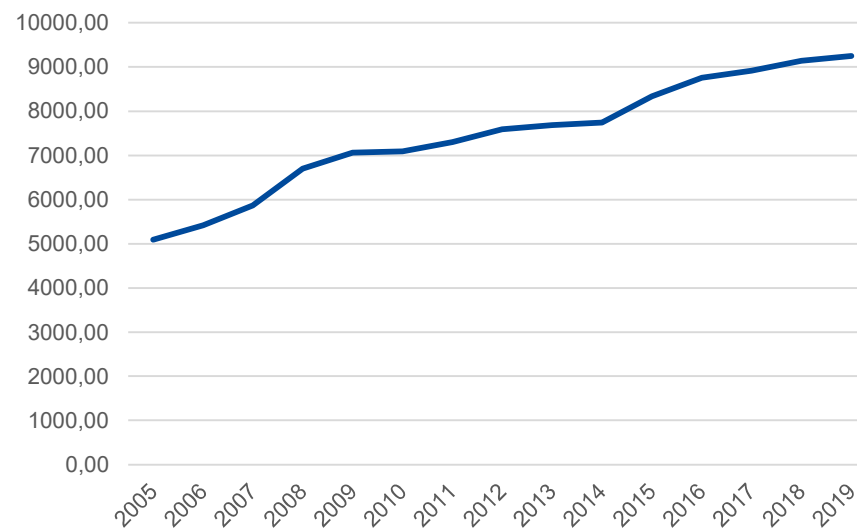


Gross expenditure on R&D - share of GDP (2005-2019, %)



Source: ČSÚ

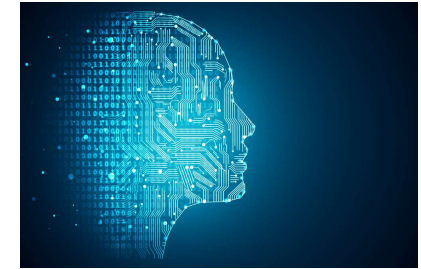
Total expenditure on R&D (2005-2019, mil. EUR)



Source: ČSÚ

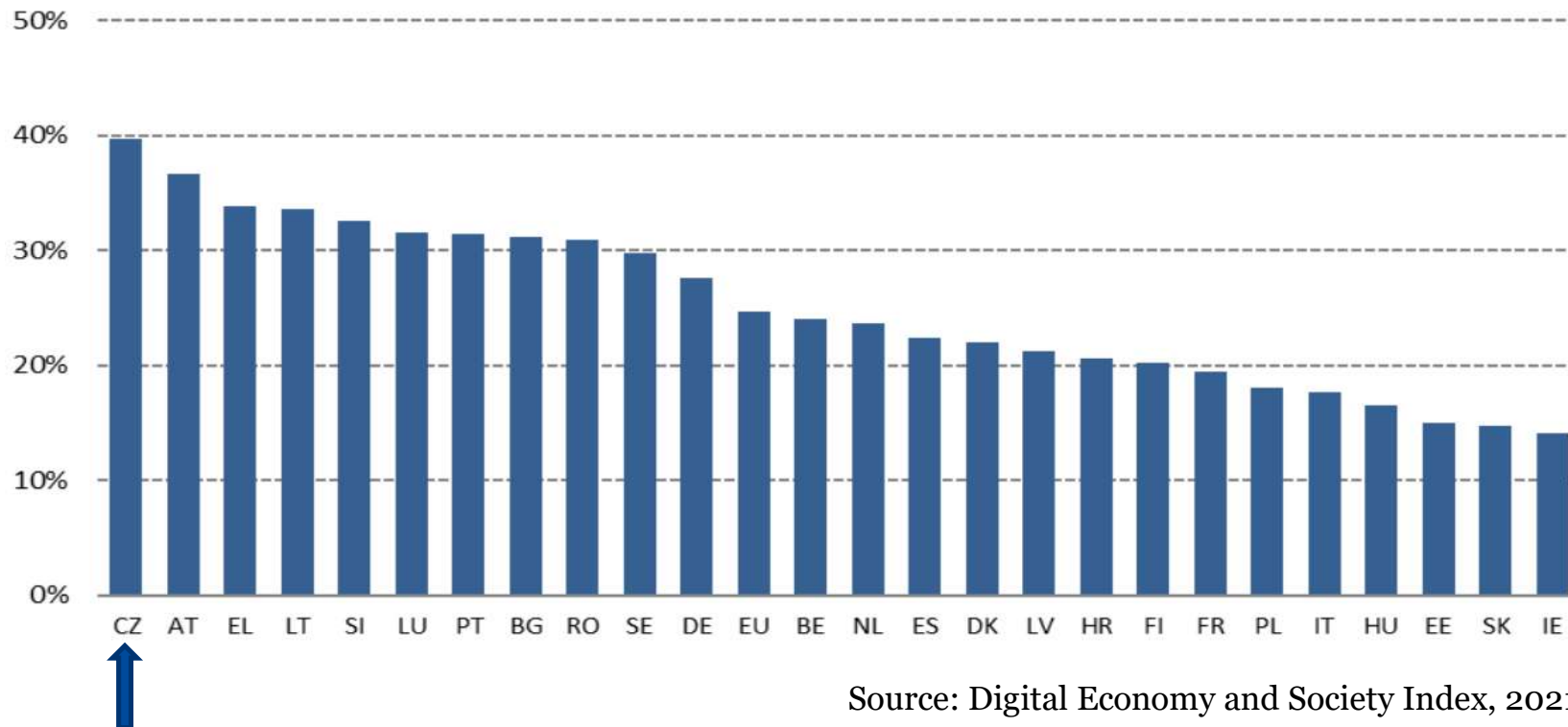


The leading role of artificial intelligence (AI)



- Czechia has the highest percentage (40%) of enterprises using two or more AI technologies
 - According to the European Commission’s Digital Economy and Society Index (DESI)
 - Czechia has the highest percentage of enterprises using two or more AI technologies

Enterprises using at least two AI technologies (% of enterprises), 2020



Source: Digital Economy and Society Index, 2021



ICT

- Strong inflow of high-value-added projects of the world's top ICT companies
 - Successful investors in the country include Microsoft, Skype, Tieto, Red Hat, SolarWinds, IBM, Cisco, Oracle, H2O.ai and MSD IT
- It is home to several top-level research centers that have achieved outstanding results and won awards in the area of ICT
- Czechia= e-commerce centre of the Europe





Competitive Advantages - Czechia



Competitive Advantages - Czechia

Strategic geographical location

Stable political and economic environment

Long-established industrial tradition

Well-developed infrastructure

Skilled and educated labour force

Good level of language skills

Attractive living environment





Czechia – A Good Place to Live



Quality of Life in Czechia

- 8th most peaceful country in the world
 - (According to the Institute of Economics and Peace)
- 6th safest destination out of 163 countries in the world
- The highest quality of life amongst new EU members
- Higher quality of life than in the USA
 - (According to the Deloitte 2019 Quality of Life Index)
 - Czechia rates 24th out of 149 countries, USA ranks 26th
- 14th best healthcare system in the EU
 - Czechia ranked higher than the UK or Ireland
 - Prague has been ranked among the 100 cities with the best hospital care in the World

Global Peace Index (2022)

RANK	COUNTRY	SCORE	CHANGE
1	Iceland	1.107	↔
2	New Zealand	1.269	↔
3	Ireland	1.288	↑ 3
4	Denmark	1.296	↓ 1
5	Austria	1.3	↑ 2
6	Portugal	1.301	↓ 1
7	Slovenia	1.316	↓ 3
8	Czech Republic	1.318	↑ 1
9	Singapore	1.326	↑ 1
10	Japan	1.336	↑ 1
11	Switzerland	1.357	↑ 1
12	Canada	1.389	↓ 4
13	Hungary	1.411	↑ 2
14	Finland	1.439	↓ 1
15	Croatia	1.44	↓ 1
16	Germany	1.462	↑ 3
17	Norway	1.465	↔
18	Malaysia	1.471	↑ 4
19	Bhutan	1.481	↓ 3
20	Slovakia	1.499	↑ 5
21	Netherlands	1.522	↑ 2
22	Belgium	1.526	↑ 2
23	Qatar	1.533	↑ 6
24	Bulgaria	1.541	↑ 3
25	Poland	1.552	↓ 4
26	Sweden	1.564	↓ 6
27	Australia	1.565	↓ 9
28	Mauritius	1.57	↑ 2

Source: IEP, 2022



Useful Links



Useful Links

Ministry of Foreign Affairs

www.mzv.gov.cz

Embassy of Czechia in Finland (Helsinki)

www.mzv.gov.cz/helsinki

Trade promotion

www.czechtradeoffices.com

Investment and business support

www.czechinvest.org

Promotion of tourism

www.visitczechrepublic.com

CzechTourism – tourist information

www.czechtourism.cz



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